

Bulletin 29

INDIANA RESIDUAL MALPRACTICE INSURANCE AUTHORITY

June 9, 1975

House Enrolled Act 1460 will become effective July 1, 1975.

Chapter 4 of the Act imposes certain duties upon all insurance carriers and surplus lines agents writing medical malpractice insurance in the State of Indiana.

The Chapter creates a second fund which is to be funded by a surcharge levied on all health care providers in Indiana. The surcharge will be 10% of the cost to each health care provider for maintenance of financial responsibility under the terms of the act. This means adding 10% of the cost of the health care provider's malpractice insurance premium.

The surcharge is to be collected by each carrier and surplus lines agent on the same basis as premiums for malpractice insurance.

The act provides that the surcharge shall be remitted to the Insurance Commissioner within 30 days after receipt by the insurance carrier or surplus lines agent and provides a penalty for failure to remit.

The agent will receive no commission on the surcharge.

It is the duty of each insurance carrier and surplus lines agent to add the 10% surcharge to all billings on policies providing medical malpractice insurance coverage issued on and after July 1, 1975.

With your remittance please enclose the information requested on the attached form. A computer printout containing the information is acceptable in lieu of the form. Please list insureds alphabetically.

Lloyd M. Allen
Insurance Commissioner